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Ukraine

Dairy and Products

Annual

2004

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Report Highlights:
In 2005, Ukraine's dairy export growth rate to Russia will decrease. The domestic industry has problems with raw milk supplies, value added tax reimbursements and inefficiencies of milk producing enterprises. Supplies of feed quality non-fat dried milk will continue to grow moderately, assuming unchanged world market prices. U.S. exporters will be able to supply only limited amounts of specialty dairy products to the Ukrainian food processing industry, while Ukrainian nonfat and whole milk powder will compete with U.S. products on the world market. High import tariffs will remain an obstacle to trade of high value added dairy products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Kiev [UP1]
[UP]

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Executive Summary

Despite a significant decrease in cattle inventories in 2004, the Ukrainian dairy sector managed to increase efficiency enough to sustain milk production. In 2005, fluid milk production is expected to grow moderately along with limited growth of per cow milk yields. A fourteen year trend of decreasing milk production in Ukraine is expected to end in late 2004. Ukraine is experiencing historically high domestic fluid milk prices. The domestic dairy processing industry will continue to expand quickly resulting in increased exports to Russia.

Production and exports of nonfat dry milk (NFDM), whole dry milk (WDM) and butter is expected to increase in 2005, but this growth will depend heavily on world market prices. Production of cheese is expected to continue to increase due to strong demand from Russia, Bulgaria and other former Soviet Union countries.

Production

In marketing year 2003-2004, Ukraine experienced a severe forage crop failure, which had a devastating impact on Ukraine's livestock sector. Similar to previous years, the number of dairy cows decreased substantially, especially in big industrial enterprises. Many in the dairy industry decided to cut their losses despite a belief that dairy operations as a component of larger farm operations can sustain incomes during the year, is an attribute to rural employment and supplies farms with organic fertilizers.

There is a sharp contrast between production of dairy products and production of raw milk. Output of whole milk products, cheese, butter/NFDM and casein grew steadily over the past year. The dairy industry managed to secure a larger share of fluid milk supplies from the household sector, resulting in decreased fluid milk domestic consumption. Production growth is expected to continue in 2005 if world market prices remain unchanged and if incomes continue to increase in Ukraine. Increased spending resulted in increased consumer demand for dairy products in all market segments.

Milk production decreased in both the household sector and big industrial farms, however production in the household sector decreased at a lesser rate. Production in the household sector experienced higher efficiencies and continues to play a special role in Ukraine's rural economy. The rural population considers household dairy production as a “safety net” in case big industrial farms where many are employed experience economic difficulties. A typical dairy enterprise with 2-to-3 cows provides much needed off-season cash flow, when other sources of income are exhausted.

Fluid milk procured from household operations is of low quality. Cows are milked with bare hands and sanitary conditions of the aggregated supply of milk is very difficult to control. This makes production of high quality cheese impossible and creates problems for producers of whole milk products. Many processing enterprises pay a 25-30% price premium for milk procured from industrial farms that are equipped with automated milking machines and cooling equipment. In an attempt to secure raw milk supplies, industrial producers tend to maintain strong relationships with household producers. They offer long term contracts with more attractive pricing, and supply some villages with modern refrigeration systems and milk tanks. This also enabled producers to increase the size of their procurement zone from a radius of 180-to-200 kilometers in 2003 to a radius of 300 kilometers by the end of 2004. This increased number of procurement organizations plus the limited supply of milk drives milk prices up further.

Despite strong milk prices, the number of cows in large farm operations continues to decline, resulting in a decrease in the supply of high quality milk. Some dairy processors purchased expensive centrifugal equipment that decrease bacteria and somatic cell counts without having to heat the milk. Thus, this milk remains suitable for cheese and yogurt production. The working capacity of this equipment is usually low and the cost of the final product is high. In 2005, it's expected that the price of milk will remain high limiting production of Ukrainian cheese and butter. This production growth slow down will lead to a decrease in the export growth rate.

Facing milk shortages and a limited domestic demand, dairy processors are merging with each other in order to create strategic alliances to better compete for market share. Mergers allow big enterprises to procure milk more quickly and the acquiring of subsidiaries allows operators to control regional markets of traditional dairy products (soft cheese, kefirs, etc.). According to producers' estimates mergers, allow them to cut costs of the final product by 10-12%. In 2004, the biggest event was a merger of the Russian controlled Unimilk Enterprises Ltd. with Fanny Group Ltd. The newly founded Unimilk Ukraine currently controls over 20% of the Ukrainian dairy market, closely followed by Wimm-Bill-Dann (11%) and Lactalis Ukraine (6%).

Consumption

Domestic consumption of dairy products in 2005 is expected to increase by 3-4%. The market for cheese, butter and whole dairy products is well established and unlikely to grow significantly. Demand for traditional dairy products is satisfied by the domestic industry and future growth is possible only in sectors that produce innovative products (bio yogurts with bifidobacteria or lactulose) or in the premium market segment of traditional dairy products.

Wealthy Ukrainian consumers who are dissatisfied with the inconsistent quality of domestic cheese and butter may consider high value added products imported from abroad, thus providing a small opportunity for U.S. exports of specialty dairy products.

Trade

There is almost no demand for imported dairy products in Ukraine. This is caused by an abundance of relatively cheap domestically produced butter, cheese and whole milk products. High import tariffs on dairy products create an additional obstacle to trade. Ukraine is not a member of the World Trade Organization and maintains prohibitive import tariffs for most dairy products. Legal imports of whole milk products, butter and cheese are almost impossible, and the few imports of cheese and butter are inaccessible for the majority of Ukrainian consumers. Ukraine imports certain types of high quality cheese, dry whey protein, some ice cream and butter. Ukrainian imports of all these products are not significant, while exports (with the exception of ice cream) are substantial and increasing.

In 2005 Ukraine will remain a net exporter of dairy products with major markets in Russia and within the former Soviet Union. The macroeconomic situation in the country is stable and is not expected to influence Ukraine's export shipments. The complete effect of EU expansion on Ukraine's exports to accession countries is still unknown. It is already clear that Ukrainian dairy producers will not be able to supply product to the EU (cheese and butter) due to the lack of appropriate licenses, but traders from EU-25 will continue to purchase Ukrainian dairy products (NFDM and WDM) for re-export or for animal feeding.

Cheese

Production of cheese in Ukraine continues to be the most profitable dairy business. In 2004, 320 enterprises produced hard cheese, but there is a clear trend; a consolidation of small enterprises into large holdings. Ukrainian and Russian investors have made significant investments aimed at expanding production. Currently, the top seven cheese producers produce 37% of all Ukrainian cheese. In 2005, it is expected that mergers of small companies will continue. Those operations that are of no interest to the big players will continue to go out of business.

Due to shrinking raw milk supplies, production growth is likely to slow in 2005. The growth rate is expected to decrease from 20% in 2004 to 10% in 2005. Ukraine will continue to produce and export hard cheeses based on simplified Dutch technology and target low and middle-income consumers in Former Soviet Union (FSU) markets. It is also expected that major cheese producers will export between 40% to 98% of their output, however they will attempt to sell more products on the domestic market in order to diversify risks.

Despite the declining number of cows and relatively low milk yields, Ukrainian producers of cheese managed to secure their milk supplies by procuring more milk from the household sector. Due to poor or inconsistent quality, Ukrainian cheese will continue to be competitive mostly in FSU countries with Russia being the largest market.

Butter

Production of butter in Ukraine significantly exceeds domestic demand and is driven mostly by the world price for NFDM and the price of butter in the Russian market. Significant production and trade estimate revisions were made for both 2003 and 2004. The only reason for the revision is the increased world price for NFDM, which made production of NFDM and butter pack in Ukraine much more attractive. The 2005 estimate is based on current NFDM prices and is also subject to severe volatility. Butter production in Ukraine is quite flexible and production can be substantially increased or decreased at any moment.

Most of the butter, present in the domestic market and a significant share of butter exported to FSU countries contain vegetable or tropical oils. This contradicts export contract specifications and established internal standards. Adding low quality tropical oils allows producers to price butter at very low levels. The retail price for some butter brands sold in Ukraine are as low as $2.06 per kilogram. The extend of this practice is not known, but the State Reserve of Ukraine has canceled some auction results when delivered butter failed to meet their specification.

Throughout 2004, many producers complained about significant carry over stocks that were owned both by butter plants and by the State Reserve of Ukraine. The (Delivery Duty Unpaid) DDU Moscow and DDU St-Petersburg export butter price remained low throughout 2004, but high NFDM prices drove butter production and exports up. Production and exports of butter in 2005 are expected to slow due to shortages of fluid milk, even if relatively high NFDM price remains.

Russia will continue to be the main purchaser of Ukrainian product in 2005. Butter price fluctuations in Ukraine were caused almost exclusively by fluctuations in Russian demand. Ukrainian butter remains competitive in the low price segment of the Russian market and is exported under a free trade agreement. In 2005, exports of butter to Russia may be restricted by a dairy quota system that is under consideration by the Russian government. This is being proposed to replace the current 5% special import duty imposed on Ukrainian product. The duty has proven to have a limited impact on trade.

NFDM

After two years of low production, in yearly 2004, NFDM became attractive once again to Ukrainian producers due to strong world prices. Many dairy producers continue to view butter as a byproduct of NFDM production. Producers base production decisions for WDM or NFDM and butter on which product, or combination of products, will result in the highest level of revenue. In 2005, slow growth of NFDM production is expected to continue given the unchanged world price situation. Necessary changes to the PS&D tables were made to bring estimates in line with official statistical data. The domestic market for all types of dry milk is not very well developed, so production will largely depend on world prices.

Ukrainian, Russian and EU traders market Ukrainian NFDM all over the world despite the relatively low quality of the product. Japanese and EU importers use Ukrainian dry milk as a component of animal feed or blend it with high quality NFDM, while consumers in most African and Asian countries import it for human consumption. It also must be noted that accession of Poland to the European Union in May 2004, had only a limited negative impact on trade. Polish traders continued to be among the largest importers (supposedly for re-export) and sudden glitches in trade in June and July had little impact on overall trade numbers.

Import of NFDM into Ukraine is insignificant with the United States being the major supplier. Ukrainian companies mostly import dry whey protein for the food processing industry. U.S. exports to Ukraine became possible after the signing of a bilateral veterinary certificate in September of 2003.

WDM

Whole dry milk production increased in 2004 and that trend is expected to mirror the NFDM production trend. Production of WDM in Ukraine is limited because NFDM-butter combination offers a more attractive price. The domestic market of WDM is slowly growing, but limited supply of raw fluid milk will continue to limit production. Due to a slow down in exports in early 2004, the price for WDM was comparable to NFDM, which resulted in significant production reductions. Similar to NFDM, production and exports of WDM will depend on the world market situation. Should the price go up, Ukraine is quite capable of significant production increases similar to the one witnessed in 2001. Projections for 2005 are based on current NFDM, butter and WDM prices.

Policy

In the beginning of 2004, exports of all the varieties of dairy products were sluggish due to legal confusions with the Value Added Tax (VAT) reimbursement system. Despite the fact that reimbursements were renewed in the end of February, many exporters continue to report problems. Difficulties in getting VAT reimbursements may lead to a slower export growth rate in 2005. The profit margin for exporters is comparable to the VAT reimbursement, thus if reimbursements are not paid, exporters will have no incentive to export.

In an attempt to increase fluid milk quality, the Ministry of Agricultural Policy in January 2004 introduced a new State Standard for procured fluid milk, which contains more strict sanitary and veterinary requirements. The new milk grading system was established to encourage producers to use milking equipment. Milk procured from the household sector is unlikely to comply with the new Standard.

A new Law on Milk and Dairy Products came into effect on July 29, 2004. The law establishes new rules for production and processing of dairy products as well as controversial support measures. According to the law, the state will subsidize domestic prices; establish a minimum milk price threshold, a maximum trade margin on processed dairy products, and a two-tier production quota. The effect the new law will have on production is unclear because of significant budget constraints and the low probability that all provisions of the law will be applied. The law also defines milk products and national sour milk dairy products. Use of preservatives, stabilizers, fats and proteins of plant origin in national sour milk dairy products is prohibited.

Statistical Tables

Cattle Inventory and selected indicators for 9 months of 2003 and 2004

Category	Measure	9 months of 2003	9 months of 2004	2004/2003 Ratio, %
Number of cows	1000 heads	4567.4	4220.8	92.4
- big industrial farms	1000 heads	1206.8	1020.5	84.6
- households	1000 heads	3360.6	3200.3	95.2
Gross milk yield	1000 tons	2217.6	2059.7	92.9
Milk yield per cow (year's average cow number is used)	kilograms	1840	2115	114.9

Source: State Statistics Committee of Ukraine

Fluid Milk PSD Table

Country Ukraine
Commodity Dairy, Milk, Fluid (1000 HEAD)(1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2003		01.2004		01.2005
Cows In Milk	4715	4715	4385	4330	0	4000
Cows Milk Production	13306	13400	12786	13560	0	13900
Other Milk Production	277	260	266	270	0	280
TOTAL Production	13583	13660	13052	13830	0	14180
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	13583	13660	13052	13830	0	14180
Intra EC Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Fluid Use Dom. Consum.	3400	5147	3974	4690	0	4340
Factory Use Consum.	8083	6713	6928	7590	0	8340
Feed Use Dom. Consum.	2100	1800	2150	1550	0	1500
TOTAL Dom. Consumption	13583	13660	13052	13830	0	14180
TOTAL DISTRIBUTION	13583	13660	13052	13830	0	14180
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Fluid Milk Retail Price Table

Country Ukraine
Commodity Dairy, Milk, Fluid

Prices in	UAH	per uom	1 kilogram
Year	2003	2004	% Change
Jan	1,66	1,87	13%
Feb	1,69	1,90	12%
Mar	1,68	1,91	14%
Apr	1,64	1,89	15%
May	1,61	1,86	16%
Jun	1,57	1,83	17%
Jul	1,57	1,83	17%
Aug	1,57	1,84	17%
Sep	1,60		
Oct	1,66		
Nov	1,75		
Dec	1,83		
Exchange Rate	5,3	Local Currency/US $	

Source: State Statistics Committee of Ukraine

Cheese PSD Table

Country Ukraine
Commodity Dairy, Cheese (1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2003		01.2004		01.2005
Beginning Stocks	2	2	2	2	2	2
Production	173	169	180	200	0	218
Intra EC Imports	0	0	0	0	0	0
Total Imports	2	2	2	2	0	2
TOTAL Imports	2	2	2	2	0	2
TOTAL SUPPLY	177	173	184	204	2	222
Intra EC Exports	0	0	0	0	0	0
Total Exports	63	61	67	85	0	100
TOTAL Exports	63	61	67	85	0	100
Human Dom. Consumption	112	110	115	117	0	120
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	112	110	115	117	0	120
TOTAL Use	175	171	182	202	0	220
Ending Stocks	2	2	2	2	0	2
TOTAL DISTRIBUTION	177	173	184	204	0	222
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Cheese Export Trade Matrix

Country Ukraine
Commodity Dairy, Cheese

Time Period		Units:	1 MT
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Bulgaria	176	Bulgaria	550
Czech Republic	1121	Czech Republic	1004
Hungary	673	Hungary	280
Israel	9	Moldova	430
Moldova	342	Russia	58764
Russia	34682	Azerbaijan	164
		Kazakhstan	139
Total for Others	37003		61331
Others not Listed	6		2
Grand Total	37009		61333

Source: State Statistics Committee of Ukraine

Cheese Import Trade Matrix

Country Ukraine
Commodity Dairy, Cheese

Time Period		Units:	1 MT
Imports for:	2002		2003
U.S.	1	U.S.	0
Others		Others	
Austria	0	Denmark	139
Denmark	43	France	39
France	71	Germany	35
Germany	106	Poland	357
Lithuania	14	Russia	1528
New Zealand	17		
Poland	333		
Russia	1245		
Total for Others	1829		2098
Others not Listed	21		9
Grand Total	1851		2107

Source: State Statistics Committee of Ukraine

Cheese Retail Price Table

Country Ukraine
Commodity Dairy, Cheese

Prices in	UAH	per uom	1 kilogram
Year	2003	2004	% Change
Jan	16,11	17,23	13%
Feb	16,42	17,43	12%
Mar	16,6	17,53	14%
Apr	16,62	17,58	15%
May	16,5	17,53	16%
Jun	16,14	17,52	17%
Jul	15,89	17,45	17%
Aug	15,86	17,47	17%
Sep	16,11		
Oct	16,31		
Nov	16,75		
Dec	16,91		
Exchange Rate	5,3	Local Currency/US $	

Source: State Statistics Committee of Ukraine

Butter PSD Table

Country Ukraine
Commodity Dairy, Butter (1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2003		01.2004		01.2005
Beginning Stocks	22	22	12	12	5	5
Production	120	148	110	180	0	200
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	142	170	122	192	5	205
Intra EC Exports	0	0	0	0	0	0
Total Exports	20	18	10	40	0	50
TOTAL Exports	20	18	10	40	0	50
Domestic Consumption	110	140	107	147	0	150
TOTAL Use	130	158	117	187	0	200
Ending Stocks	12	12	5	5	0	5
TOTAL DISTRIBUTION	142	170	122	192	0	205
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Butter Export Trade Matrix

Country Ukraine

Commodity Dairy, Butter

Time Period		Units:	1 MT
Exports for:	2002		2003
U.S.	0	U.S.	1
Others		Others	
Azerbaijan	560	Azerbaijan	854
Armenia	671	Armenia	552
Georgia	243	Georgia	80
Kazakhstan	0	Kazakhstan	855
Moldova	502	Moldova	616
Russia	12868	Russia	14681
Tajikistan	8	Tajikistan	43
Turkmenistan	45	Turkmenistan	50
Total for Others	14897		17731
Others not Listed	0		0
Grand Total	14897		17732

Source: State Statistics Committee of Ukraine

Butter Import Trade Matrix

Country Ukraine

Commodity Dairy, Butter

Time Period		Units:	1 MT
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Austria	72	Austria	36
Belgium	0	Belgium	205
Germany	4	Germany	4
New Zealand	20	New Zealand	0
Poland	950	Poland	0
Russia	0	Russia	0
United Kingdom	0	United Kingdom	2
Total for Others	1046		247
Others not Listed			4
Grand Total	1046		251

Source: State Statistics Committee of Ukraine

Butter Retail Price Table

Country Ukraine
Commodity Dairy, Cheese

Prices in	UAH	per uom	1 kilogram
Year	2003	2004	% Change
Jan	12,57	13,52	8%
Feb	12,73	13,52	6%
Mar	12,78	13,52	6%
Apr	12,69	13,35	5%
May	12,37	13,14	6%
Jun	11,95	12,9	8%
Jul	12,01	12,65	5%
Aug	12,2	12,71	4%
Sep	12,35		
Oct	12,59		
Nov	12,94		
Dec	13,3		
Exchange Rate	5,3	Local Currency/US $	

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk PSD Table

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry (1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01.2003		01.2004		01.2005
Beginning Stocks	2	2	2	2	0	2
Production	63	71	63	87	0	90
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	1	0	1	0	1
TOTAL Imports	0	1	0	1	0	1
TOTAL SUPPLY	65	74	65	90	0	93
Intra EC Exports	0	0	0	0	0	0
Total Exports	26	51	22	65	0	67
TOTAL Exports	26	51	22	65	0	67
Human Dom. Consumption	37	21	43	23	0	24
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	37	21	43	23	0	24
TOTAL Use	63	72	65	88	0	91
Ending Stocks	2	2	0	2	0	2
TOTAL DISTRIBUTION	65	74	65	90	0	93
Calendar Yr. Imp. from U.S.	0	0	0	1	0	1
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Nonfat Dry Milk Export Trade Matrix

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry

Time Period		Units:	1MT
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Bangladesh	9975	Bangladesh	5003
Bulgaria	4789	Bulgaria	3868
France	655	Algeria	4646
Germany	1150	China	3163
Japan	8930	Japan	10440
Lithuania	780	Denmark	1400
Nigeria	2175	Nigeria	1432
Poland	8080	Poland	5080
Syria	1321	Syria	1035
Russian Federation	595	Russian Federation	721
Total for Others	38450		36788
Others not Listed	4242		13783
Grand Total	42692		50571

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk Import Trade Matrix

Country Ukraine
Commodity Dairy, Milk, Nonfat Dry

Time Period		Units:	1 MT
Imports for:	2002		2003
U.S.	40	U.S.	555
Others		Others	
Austria	20	Austria	11
Armenia	0	Germany	2
Denmark	39	Denmark	0
France	5	France	0
Panama	0	Syria	0
Poland	0		
Russian Federation	0		
Switzerland	0		
Syria	100		
Total for Others	164		13
Others not Listed	1		0
Grand Total	205		568

Source: State Statistics Committee of Ukraine

Nonfat Dry Milk Wholesale Price Table

Country Ukraine
Commodity Dairy, Dry Whole Milk Powder

Prices in	UAH	per uom	1 MT
Year	2003	2004	% Change
Jan	8850	9900	12%
Feb	8550	9000	5%
Mar	7750	9350	21%
Apr	7050	9350	33%
May	6750	9000	33%
Jun	6950	9000	29%
Jul	7600	9100	20%
Aug	8050	9500	18%
Sep	8200	9700	18%
Oct	8250		
Nov	8800		
Dec	9310		
Exchange Rate	5,3	Local Currency/US $	

Source: FAS/Kiev monitoring

Dry Whole Milk Powder PSD Table

Country Ukraine
Commodity Dairy, Dry Whole Milk Powder (1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Beginning Stocks	0	0	0	0	0	0
Production	17	20	17	26	0	33
Intra EC Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	17	20	17	26	0	33
Intra EC Exports	0	0	0	0	0	0
Total Exports	5	8	4	13	0	19
TOTAL Exports	5	8	4	13	0	19
Human Dom. Consumption	12	12	13	13	0	14
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	12	12	13	13	0	14
TOTAL Use	17	20	17	26	0	33
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	17	20	17	26	0	33
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0

Dry Whole Milk Powder Export Matrix

Country Ukraine

Commodity Dairy, Dry Whole Milk Powder

Time Period		Units:	1 MT
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Armenia	414	Armenia	680
Azerbaijan	327	Azerbaijan	445
Bulgaria	540	Bulgaria	128
Poland	2342	Poland	592
Russia	1222	Russia	4382
Georgia	213	Georgia	183
Syria	75	Syria	177
Turkmenistan	246	Turkmenistan	210
Uzbekistan	406	Uzbekistan	100
		China	154
Total for Others	5785		7051
Others not Listed	259		478
Grand Total	6044		7529

Source: State statistics Committee of Ukraine

Dry Whole Milk Powder Import Matrix

Country Ukraine

Commodity Dairy, Dry Whole Milk Powder

Time Period		Units:	1 MT
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Belgium	0	Belgium	68
France	40		
Poland	20		
Switzerland	1		
Total for Others	61		68
Others not Listed	0		0
Grand Total	61		68

Source: State statistics Committee of Ukraine

Whole Dry Milk Wholesale Price Table

Country Ukraine
Commodity Dairy, Dry Whole Milk Powder

Prices in		per uom	
Year	2003	2004	% Change
Jan	10500	10500	0%
Feb	9500	10000	5%
Mar	8250	10300	25%
Apr	8150	10000	23%
May	7950	9550	20%
Jun	8250	9200	12%
Jul	8600	9750	13%
Aug	9050	10000	10%
Sep	9200	11000	20%
Oct	9350		
Nov	10000		
Dec	10700		
Exchange Rate	5,3	Local Currency/US $	

Source: FAS/Kiev monitoring